Pradesh as the Income-tax Act, 1961 and the Central Excises & Salt Act, 1944 extend to the whole of India.

Excise duty is leviable on all excisable goods other than salt which are produced or manufactured in India. Income-tax is chargeable on income as defined under Section-2 (24) read with Section-4 of Income tax Act, 1961.

For details, the copies of the said Acts may be referred to, which may be available in the library of the Parliament.

Equipment Prices

3429. DR. NAUNIHAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Indian producers have paid highest prices for imported equipment in the world;

(b) whether it is a fact that cross-country comparisons for 1980 indicate that the price of equipment in India as the fourth highest among 100 developing countries;

(c) whether it is a fact that a part of India's high savings rate has, in the past, financed unnecessary expensive capital goods;

(d) whether Government are considering the availability of capital goods to the industry at internationally competitive prices without any quantitative restrictions for achieving growth performance; and

(e) if so, what are the details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) The prices of imported equipment paid by Indian producers in the past have been relatively more than paid by their counterparts in some other countries mainly on account of high import tariffs to protect the domestic industry.

(b) Domestic cost of production of equipments is relatively higher than some of the developing countries which are industrialising fast due to relative cost disadvantage on account of higher duties particularly import duties, obsolete technology, idle capacity, high cost of basic metals and chemicals, fuels and energy, high interest rates and regulatory industrial environment. All Indian equipments are, however, not more expensive. In some items of machine tools and equipments which are exported Indian equipments have a comparative advantage over other developing countries.

(c) There is no evidence to suggest that a part of the high savings rate has been used to finance unnecessary expensive capital goods.

(d) and (e) The economic reform measures in the spheres of trade and industry introduced by the Government since 1991 are aimed at making the Indian industry more competive both domestically and internationally. These measures would encourage efficiency, allow Indian producers to have access to imports at reasonable rates of duty and progressively integrate the Indian economy with the world economy. In pursuance of these objectives, the Budget proposals for 1993-94 seek drastic reduction in import tariffs in general and priority sectors in particular.

Payment of Claims by United India Insurance Company

3430. SHRI ANANT RAM JAISWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that Hyderabad Division of United India Insurance Company Limited paid an amount of Rupees two crores on a claim by a spinning mill which did not have a valid insurance cover;

(b) if so, what action has been taken against the officers responsible for this lapse and whether steps have been taken to recover the amount so paid;

(c) what is the number of cases where the United India Insurance Company Limited, had approved and paid the claim without strictly following Section 64VB of Insurance Act, 1938; and